Packaging Management Council

Mixed and Low Level Waste (M/LLW) Container Procurement Strategy

Report - Part 1

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- Developed by NTP-A Study Group
- Study Group was prompted by:
 - Container Working Group
 - Industrial Packaging Task Subgroup
 - Contract Reform and Privatization Project
 Office Study 9/2001
 - Office of Inspector General Report on LLW Management Activities, 1992



- Previous groups and reports recommended using a corporate approach to:
 - The procurement method of common containers
 - Standardizing container specifications
 - Standardizing supplier evaluation program



- Survey was issued to 29 DOE sites through the M/LLW team
- Survey questions applied to:
 - Drums and steel boxes
 - Methods of procurement
 - Requirements/specifications
 - Qualifying suppliers
 - 2-Year demand



- Survey Results Drums
 - 100% response
 - All sites performed their own procurement
 - Only one site uses GSA schedules
 - Each site performed or ensured their suppliers were evaluated, if required
 - Each site produces their own requirements/specifications



- Survey Results Drums (cont.)
 - 27 of 29 sites utilize drums
 - 21 of 27 sites buy drums from one of three vendors
 - 2-year usage is 86,435 drums
 - 95% of drums are 30-, 55-, and 85-gallon
 CS, OH drums



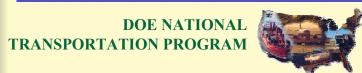
- 95% Drum breakdown
 - 30-Gal, OH, CS, Type A Drums 21%
 - 55-Gal, OH, CS, "UN" Drums 21%
 - 55-Gal, OH, CS, UN/Type A Drums 52%
 - 85-GAL, OH, CS, UN/Type A Drums 1.4%

- Survey Results Drums (cont.)
 - 9 different volumes
 - 4 different materials of construction
 - 3 different coatings
 - 4 different thickness of liners
 - Multiple "UN" ratings



Drum Pricing

Category	Lowest Price	Highest Price	GSA Pricing
1. 30-gal, open-head, carbon steel, Type A drums	\$ 25.00	\$ 36.86	\$ 28.93
2. 55-gal, open-head, carbon steel, UN drums	32.00	72.25	36.15
3. 55-gal, open-head, carbon steel, UN/Type A drums	29.00	85.00	37.21
4. 85-gal, open-head, carbon steel, UN/Type A drums	54.45	107.10	60.57



- Potential Drum Savings based on GSA pricing
 - \$272 K 2 years
 - \$1.36 M 10 years
 - -8.5%

- Based on survey results, study group investigated procurement options of:
 - Maintain current practices
 - Procure through GSA schedules
 - Procure with DOD
 - Procure through DOE-negotiated prices



- Study Group Recommendations
 - Establish a Center for Packaging to Coordinate:
 - Development of flexible, standard specifications based on sites needs
 - Supplier evaluations
 - Work with DOE procurement



- Study Group Recommendations:
 - Establish a pilot program for drum procurement for 30-, 55-, and 85-gallon OH, CS drums
 - Establish and implement a Supplier Evaluation
 Program as recommended by PMC
 - Procure drums through GSA schedule
 - Incorporate into Draft DOE Order 460.2 the use of GSA schedules and the supplier evaluation program
 - Contractors should obtain the best transportation costs



Implementation Barriers

- Program Office and Site resistance due to perceived loss of flexibility
- Potential problems pertaining to changing existing contracts
- Marginal increase in cost savings
- Unless contractually required, sites may want to continue to operate independently due to corporate liabilities and previously issued PAAA fines and violations